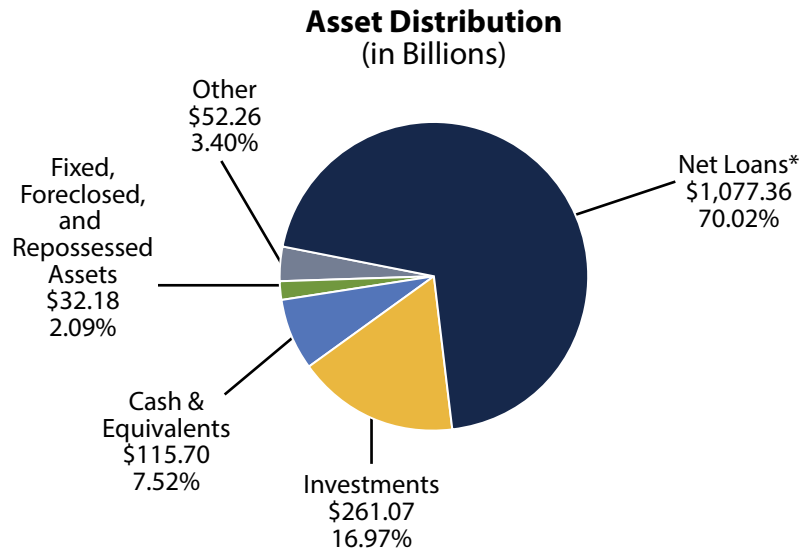




# NCUA FINANCIAL TRENDS IN FEDERALLY INSURED CREDIT UNIONS – SEPT. 30, 2019

## Overall Trends

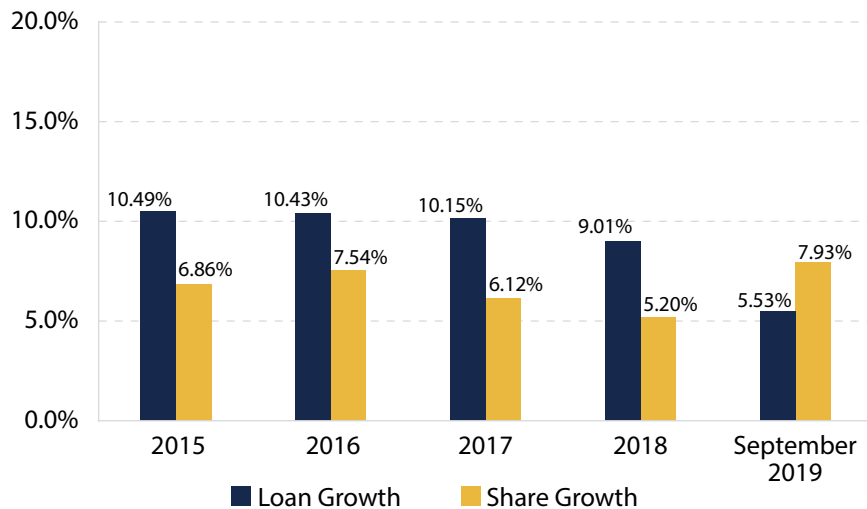


\*Net Loans equals Total Loans (\$1,086.9 billion) minus Allowance for Loan and Lease Losses (\$9.5 billion). Numbers may not add up due to rounding.

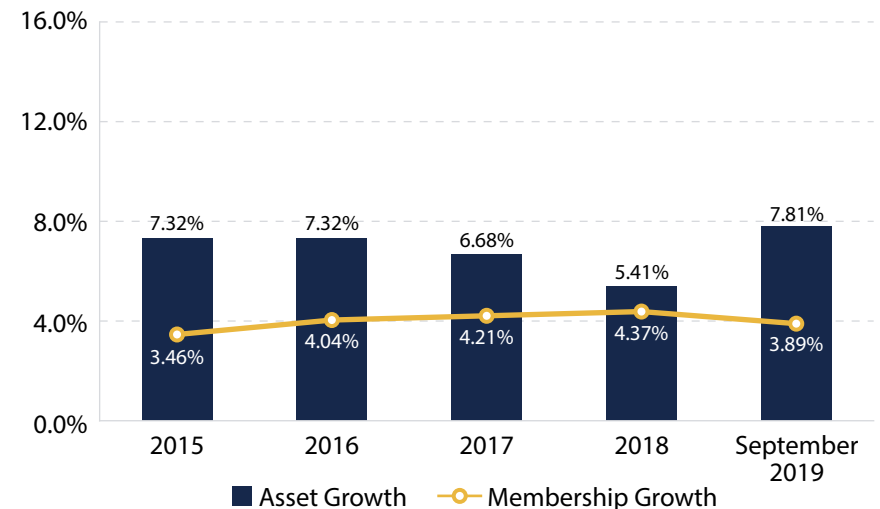
## Number of Insured Credit Unions Reporting

	Federal Charter	State Charter	Total
2015	3,764	2,257	6,021
2016	3,608	2,177	5,785
2017	3,499	2,074	5,573
2018	3,376	1,999	5,375
September 2019	3,321	1,960	5,281

## Loan Growth vs. Share Growth



## Asset Growth vs. Membership Growth

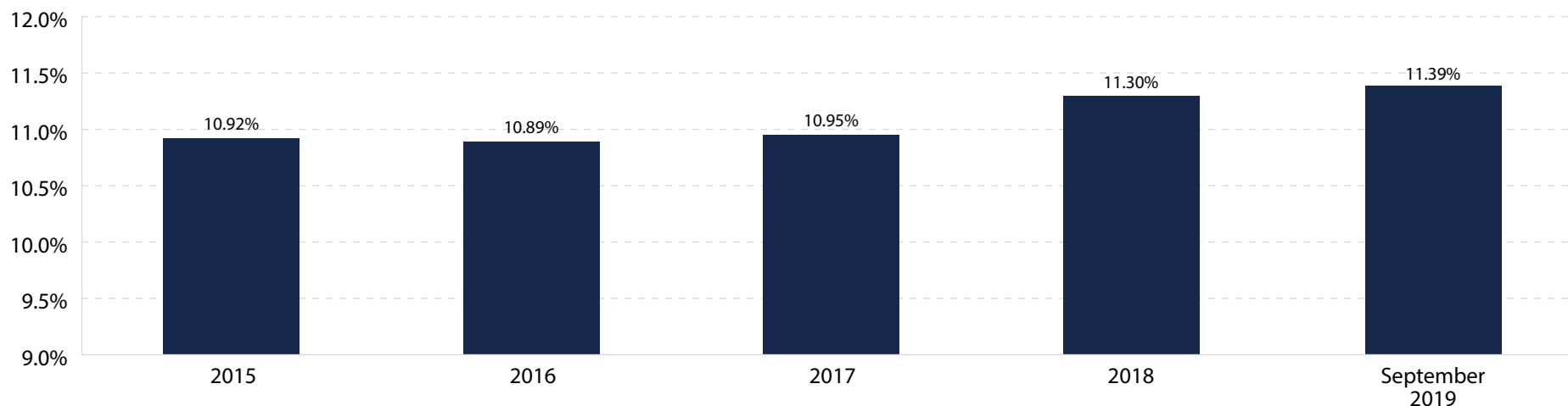




# NCUA FINANCIAL TRENDS IN FEDERALLY INSURED CREDIT UNIONS – SEPT. 30, 2019

## Net Worth

### Aggregate Net Worth Ratio



### Net Worth Change

	December 2018 in Billions	September 2019 in Billions	% Change (Annualized)
Total Net Worth	\$164.25	\$175.25	7.40%
Secondary Capital*	\$0.26	\$0.29	15.05%

\*For low-income-designated credit unions, net worth includes secondary capital.  
Numbers may not add up due to rounding.

### Net Worth Ratios

Number of Credit Unions	December 2018	% of Total	September 2019	% of Total
7% or above	5,294	98.49%	5,197	98.41%
6% to 6.99%	51	0.95%	49	0.93%
4% to 5.99%	24	0.45%	25	0.47%
2% to 3.99%	3	0.06%	4	0.08%
0% to < 2.00%	2	0.04%	3	0.06%
Less than 0%	1	0.02%	3	0.06%

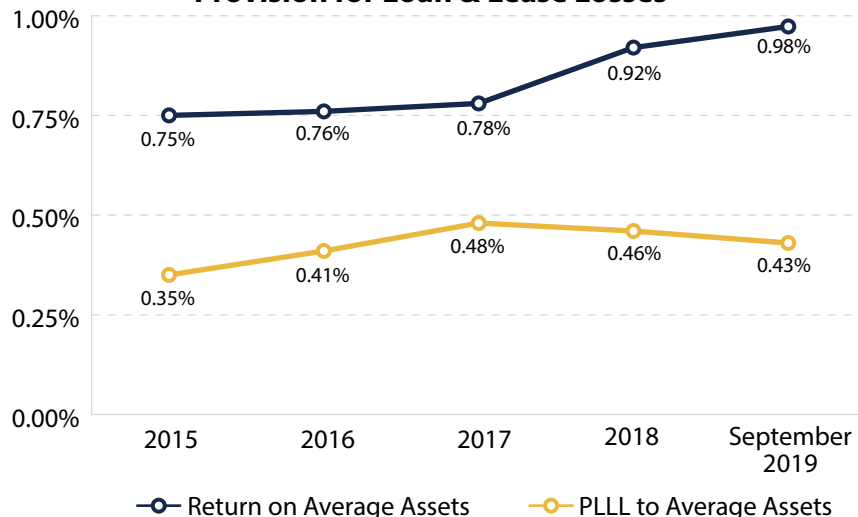
Numbers may not add up due to rounding.



# NCUA FINANCIAL TRENDS IN FEDERALLY INSURED CREDIT UNIONS – SEPT. 30, 2019

## Earnings

**Return on Average Assets vs. Provision for Loan & Lease Losses**

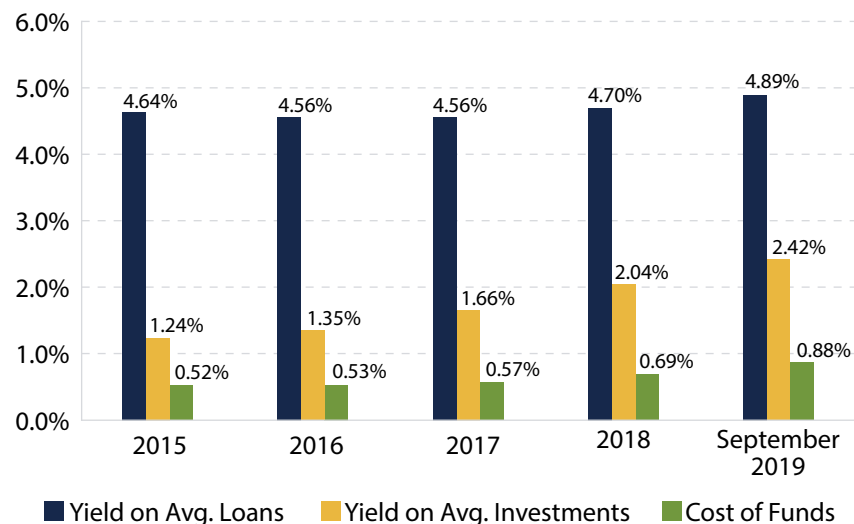


**Ratio of Average Assets**

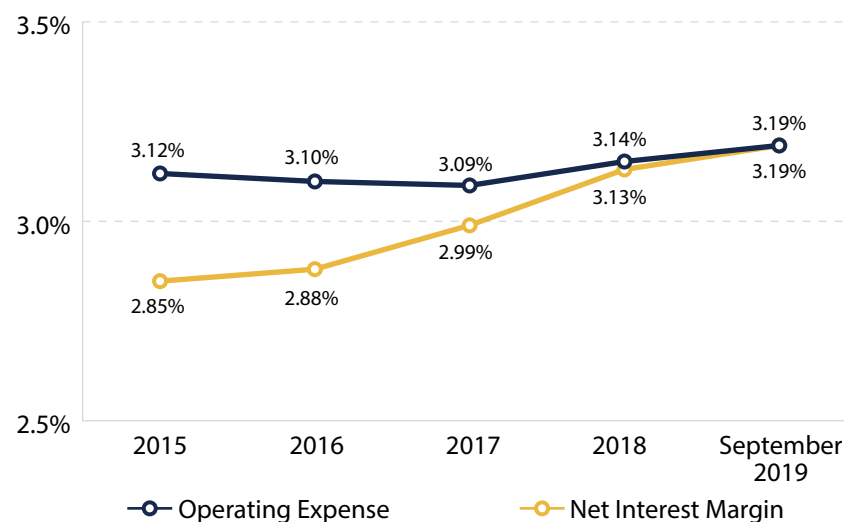
Ratio (% of Average Assets)	December 2018	September 2019	Effect on ROA
Net Interest Margin	3.13%	3.19%	0.06 bp
+ Fee & Other Inc.	1.38%	1.35%	-0.03 bp
- Operating Expenses	3.14%	3.19%	-0.05 bp
- PLLL	0.46%	0.43%	0.03 bp
+ Non-Operating Income	0.02%	0.06%	0.04 bp
= ROA	0.92%	0.98%	0.06 bp

Numbers may not add up due to rounding.

**Yields vs. Cost of Funds**



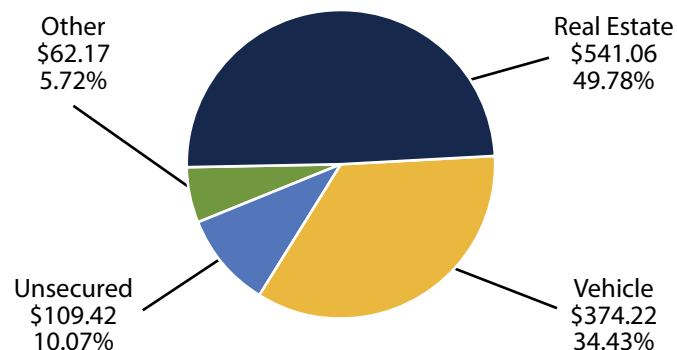
**Operating Expenses vs. Net Interest Margin**





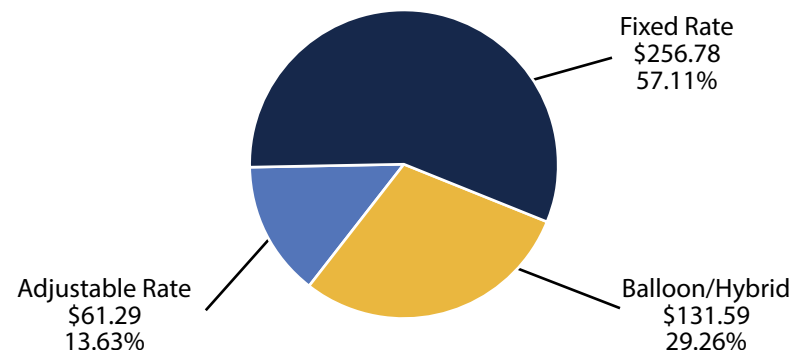
## Loan Distribution

**Loan Distribution**  
(in Billions)



Numbers may not add up due to rounding.

**First Mortgage Real Estate Loans**  
(in Billions)



Numbers may not add up due to rounding.

## Loan Growth

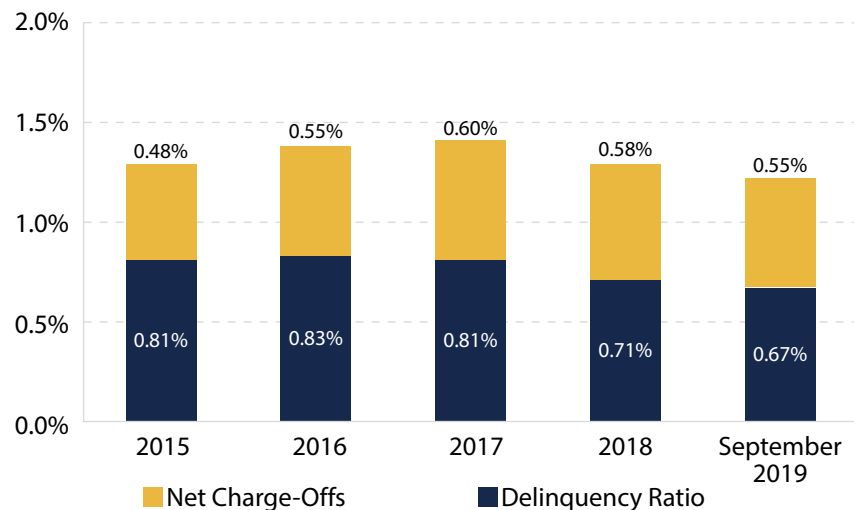
Loan Category	December 2018 in Billions	% of Total Loans December 2018	September 2019 in Billions	% of Total Loans September 2019	Growth in Billions	Growth Rate (Annualized)
Unsecured Credit Card	\$61.84	5.93%	\$63.76	5.87%	\$1.92	4.14%
All Other Unsecured	\$43.38	4.16%	\$45.66	4.20%	\$2.28	7.00%
New Vehicle	\$147.22	14.11%	\$147.32	13.55%	\$0.11	0.10%
Used Vehicle	\$218.70	20.96%	\$226.89	20.88%	\$8.19	4.99%
First Mortgage Real Estate	\$426.41	40.86%	\$449.66	41.37%	\$23.25	7.27%
Other Real Estate	\$88.12	8.44%	\$91.39	8.41%	\$3.28	4.96%
Leases Receivable & All Other	\$57.91	5.55%	\$62.17	5.72%	\$4.26	9.82%
<b>Total Loans</b>	<b>\$1,043.58</b>		<b>\$1,086.87</b>		<b>\$43.29</b>	<b>5.53%</b>

Numbers may not add up due to rounding.



## Loan and Delinquency Trends

### Delinquency & Charge-Offs



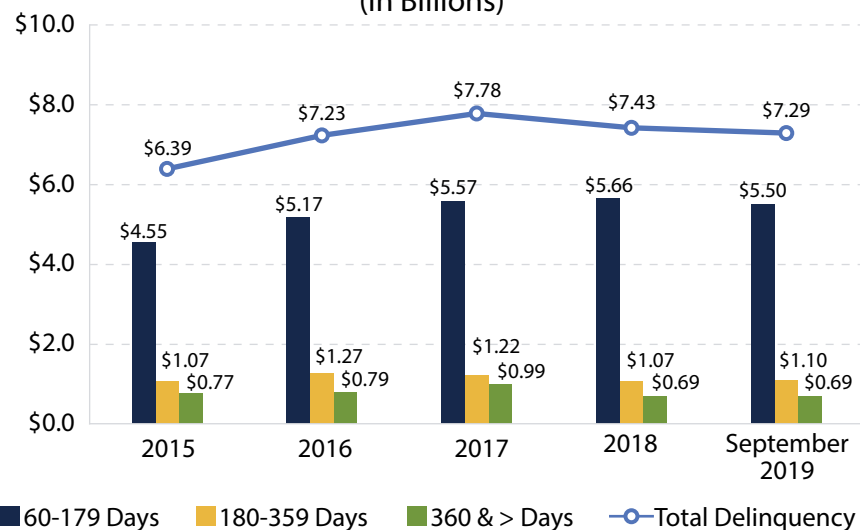
### Charge-Offs and Recoveries

Total Loan Charge-Offs and Recoveries	December 2018 in Billions	September 2019 in Billions*	% Change
Total Loans Charged Off	\$7.04	\$7.28	3.44%
Total Loan Recoveries	\$1.28	\$1.37	7.76%
Total Net Charge-Offs	\$5.76	\$5.91	2.49%

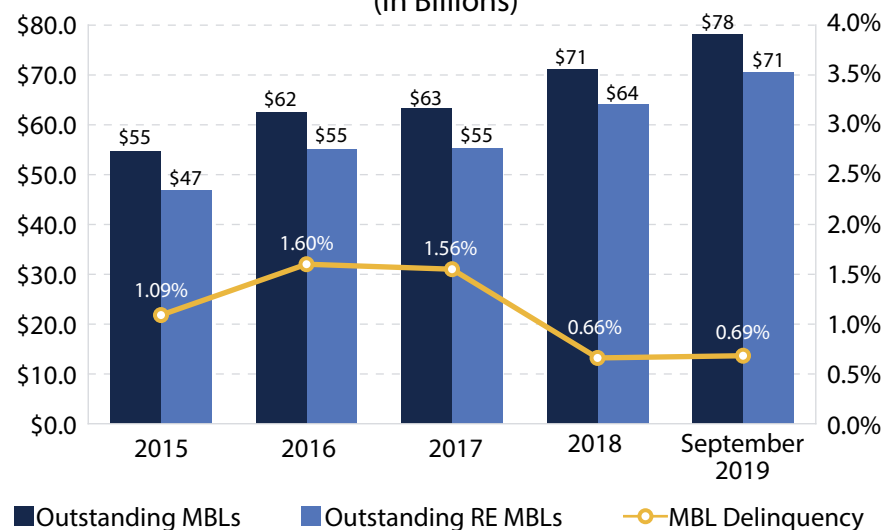
\* Annualized

Numbers may not add up due to rounding.

### Delinquency (in Billions)



### Commercial/Member Business Loans & Delinquency (in Billions)

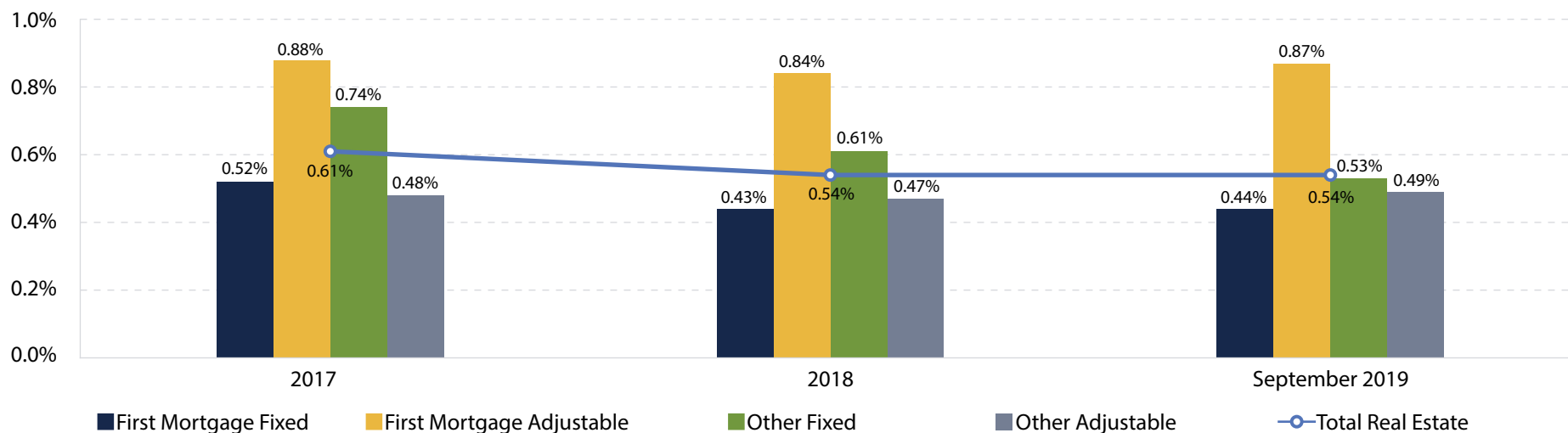


\* Reporting requirements for loans were changed with the September 2017 cycle to accommodate the regulatory definition of commercial loans.

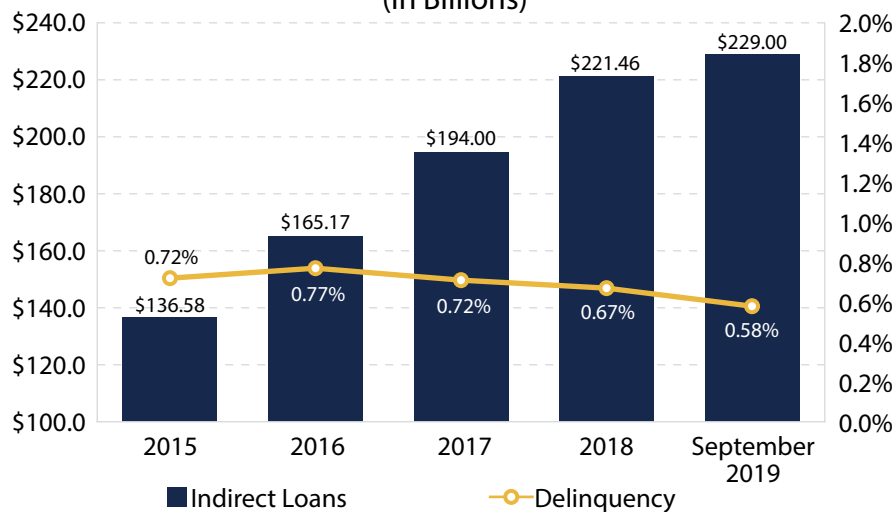


## Loan and Delinquency Trends (continued)

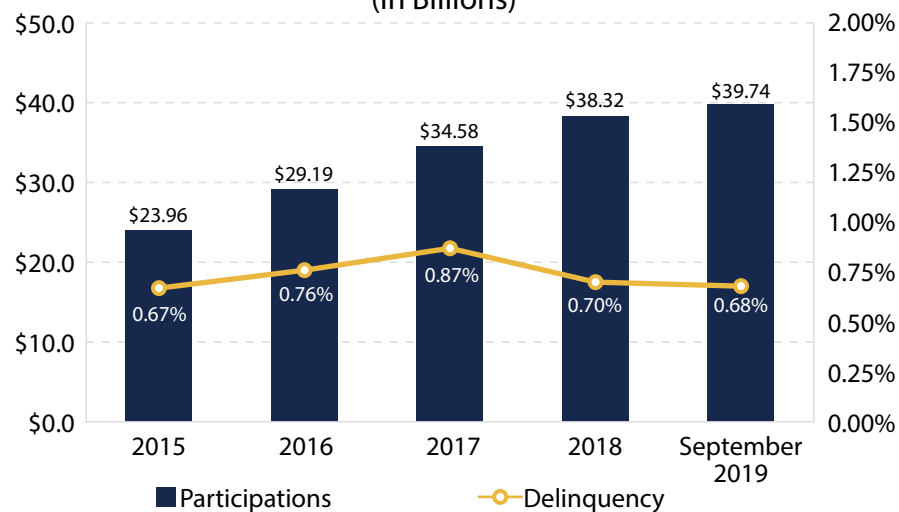
### Real Estate Delinquency



### Indirect Loans & Delinquency (in Billions)

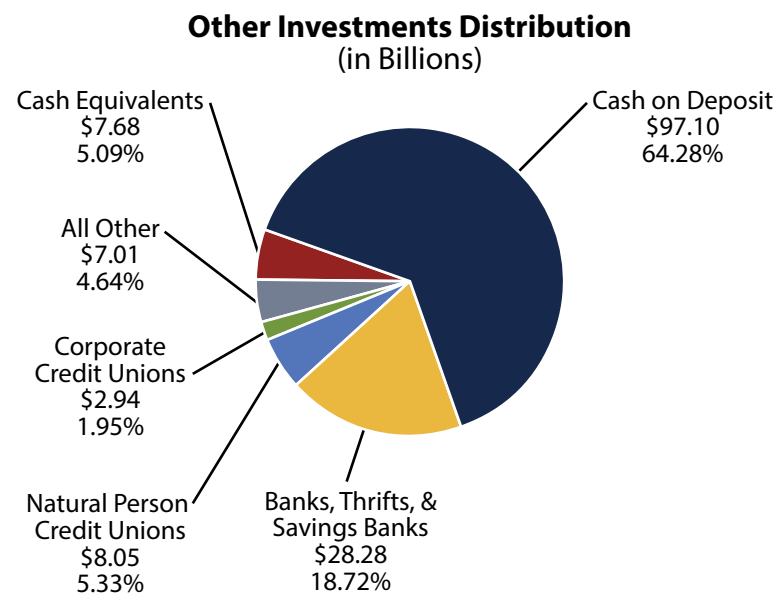
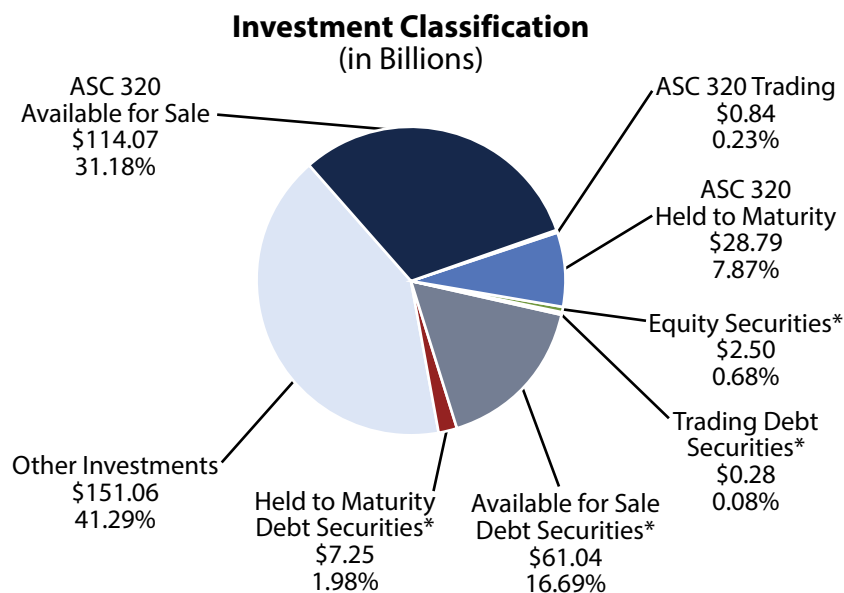


### Participation Loans & Delinquency (in Billions)





## Investment Trends - Accounting Standards Codification



\* Credit Unions adopting ASU 2016-01  
Numbers may not add up due to rounding.

Numbers may not add up due to rounding.

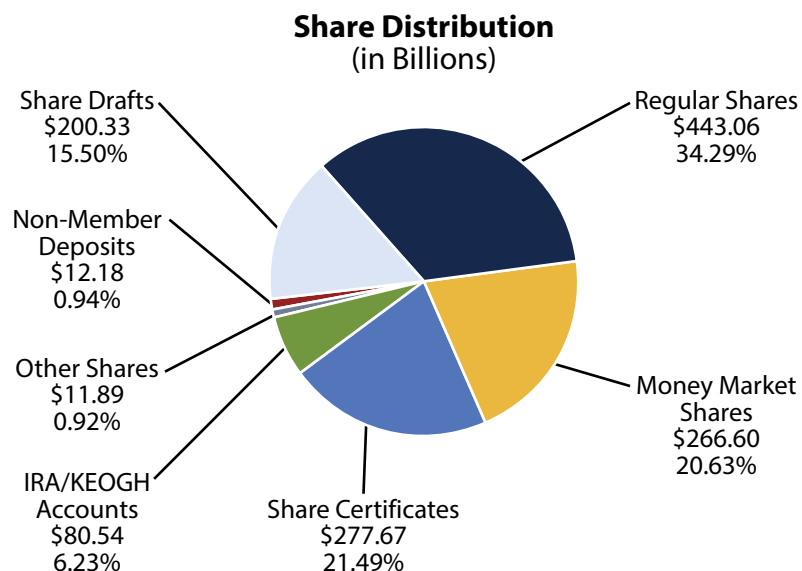
## Maturity

Maturity or Repricing Intervals for Investments and Cash on Deposit & Equivalents	December 2018 in Billions	% of Total Investments December 2018	September 2019 in Billions	% of Total Investments September 2019	Growth in Billions	Growth Rate (Annualized)
Less than 1 year	\$154.07	46.00%	\$183.48	50.15%	\$29.41	25.45%
1 to 3 years	\$86.18	25.73%	\$93.43	25.54%	\$7.25	11.22%
3 to 5 years	\$59.26	17.69%	\$53.66	14.67%	-\$5.60	-12.60%
5 to 10 years	\$31.54	9.42%	\$29.89	8.17%	-\$1.65	-6.97%
Greater than 10 years	\$3.91	1.17%	\$5.39	1.47%	\$1.48	50.50%
<b>Total Investments*</b>	<b>\$334.96</b>		<b>\$365.85</b>		<b>\$30.89</b>	<b>12.30%</b>

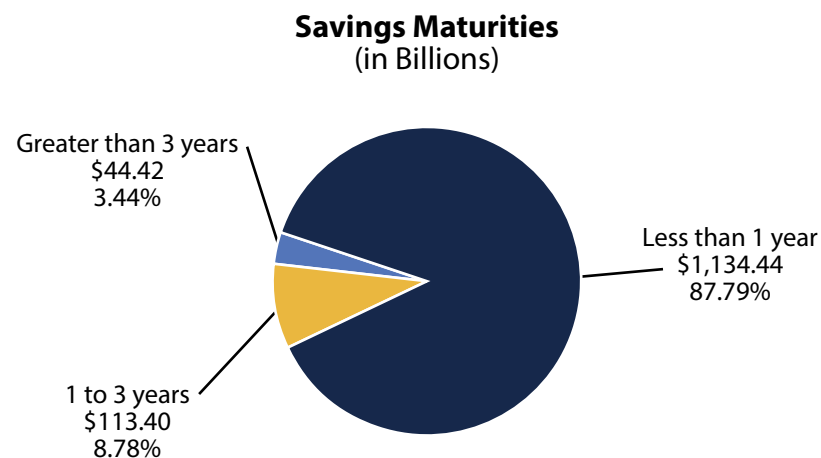
\*Includes borrowing repurchase agreements placed in investments for positive arbitrage  
Numbers may not add up due to rounding.



## Share Trends



Numbers may not add up due to rounding.



Numbers may not add up due to rounding.

## Shares

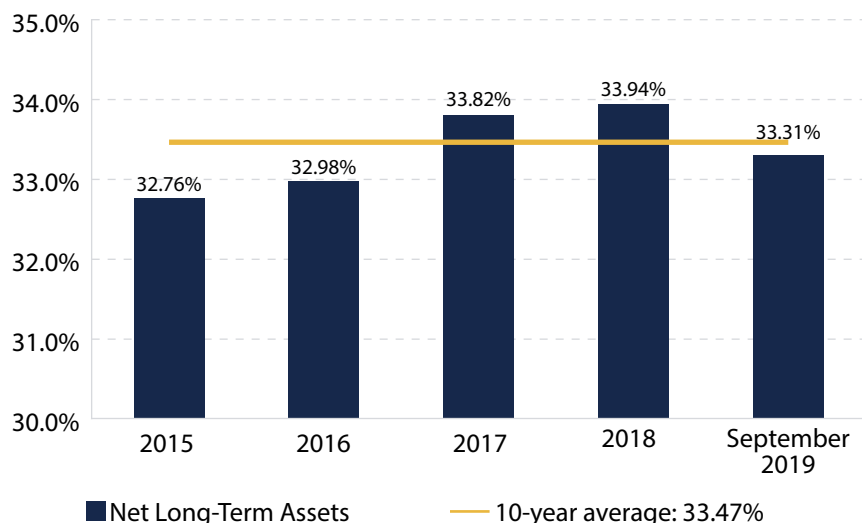
Share Category	December 2018 Balance in Billions	% of Total Shares December 2018	September 2019 Balance in Billions	% of Total Shares September 2019	Growth in Billions	Growth Rate (Annualized)
Share Drafts	\$190.04	15.58%	\$200.33	15.50%	\$10.29	7.22%
Regular Shares	\$429.63	35.22%	\$443.06	34.29%	\$13.43	4.17%
Money Market Shares	\$261.91	21.47%	\$266.60	20.63%	\$4.68	2.38%
Share Certificates	\$238.16	19.53%	\$277.67	21.49%	\$39.51	22.12%
IRA / KEOGH Accounts	\$77.55	6.36%	\$80.54	6.23%	\$2.99	5.13%
All Other Shares	\$10.56	0.87%	\$11.89	0.92%	\$1.33	16.80%
Non-Member Deposits	\$11.88	0.97%	\$12.18	0.94%	\$0.31	3.44%
<b>Total Shares and Deposits</b>	<b>\$1,219.73</b>		<b>\$1,292.27</b>		<b>\$72.53</b>	<b>7.93%</b>

Numbers may not add up due to rounding.

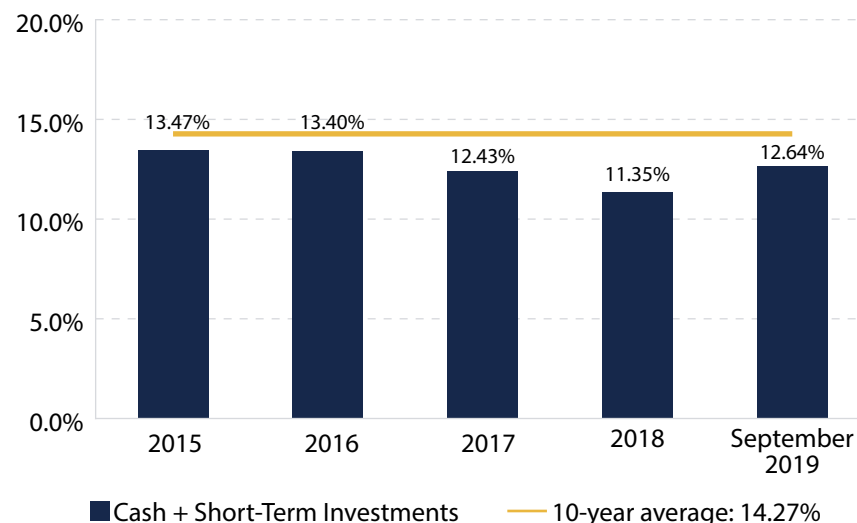


## Asset-Liability Management Trends

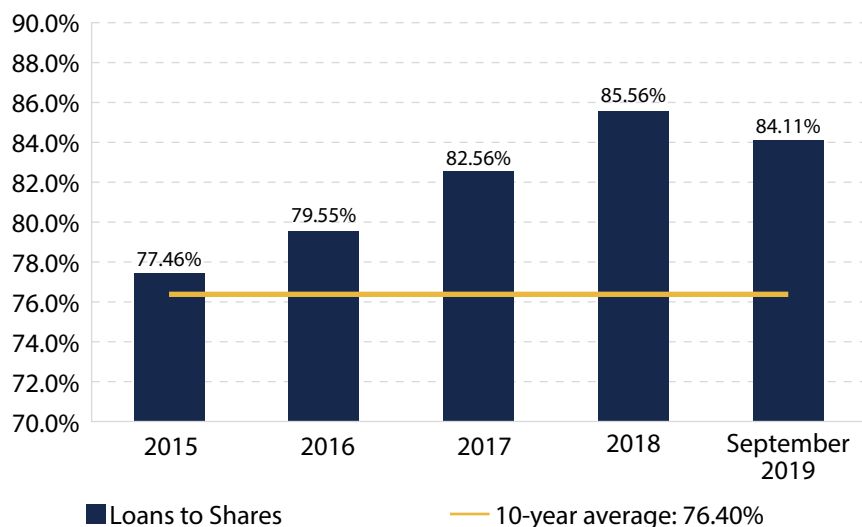
### Net Long-Term Assets / Total Assets



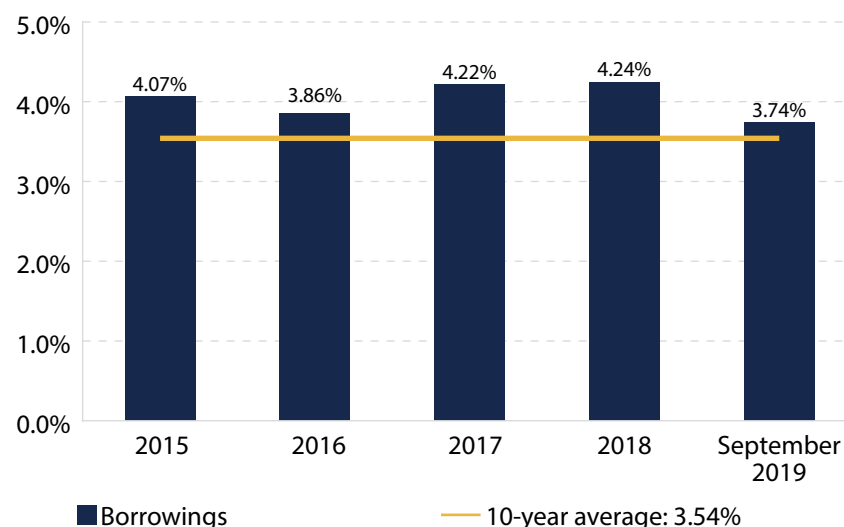
### Cash + Short-Term Investments / Assets



### Total Loans / Total Shares



### Borrowings / Total Shares & Net Worth





# NCUA FINANCIAL TRENDS IN FEDERALLY INSURED CREDIT UNIONS – SEPT. 30, 2019

## Summary of Trends by Asset Group

	Asset Group Under \$10 million	Asset Group \$10 million to \$100 million	Asset Group \$100 million to \$500 million	Asset Group \$500 million and Greater
Number of Credit Unions	1,352	2,343	1,012	574
Total Assets	\$5.59 billion	\$90.61 billion	\$225.10 billion	\$1.22 trillion
Average Assets/CU	\$4.13 million	\$38.67 million	\$222.43 million	\$2.12 billion
Net Worth / Total Assets	16.32%	12.67%	11.56%	11.24%
Average Net Worth (non-dollar weighted)	17.68%	13.13%	11.67%	11.34%
Net Worth Growth*	2.00%	5.48%	7.35%	10.20%
Return on Average Assets (ROA)*	0.41%	0.65%	0.80%	1.04%
Net Interest Margin/Average Assets	3.72%	3.45%	3.38%	3.14%
Fee & Other Income/Average Assets	0.66%	1.19%	1.47%	1.35%
Operating Expense/Average Assets	3.80%	3.75%	3.78%	3.04%
Members / Full-Time Employees	367.28	384.80	339.89	401.35
Provision for Loan Loss/Average Assets	0.34%	0.26%	0.31%	0.46%
Loans / Shares	62.94%	65.65%	78.52%	86.70%
Delinquent Loans / Total Loans	1.74%	0.88%	0.71%	0.65%
% of Real Estate Loans Delinquent > 59 Days	1.84%	0.81%	0.65%	0.52%
% of Member Business Loans Delinquent > 59 Days	0.62%	0.74%	1.05%	0.64%
Net Charge-Offs/Average Loans	0.60%	0.47%	0.47%	0.58%
Share Growth*	-0.74%	2.45%	5.10%	9.65%
Loan Growth*	2.09%	3.44%	4.46%	6.50%
Asset Growth*	-0.28%	2.89%	5.41%	9.36%
Membership Growth*	-1.81%	-0.32%	1.87%	5.64%
Net Long-Term Assets / Total Assets	7.66%	21.53%	30.15%	34.88%
Cash + Short-Term Investments / Assets	30.39%	21.40%	14.46%	11.56%
Borrowings / Shares & Net Worth	0.13%	0.30%	1.33%	4.49%

\*Note: These items are based on the same federally insured credit unions reporting at 12/31/2018 and 09/30/2019, based on 09/30/2019 assets.